



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

April 29, 2008

Jim Sorenson, President
Harbor Packaging, Inc.
13100 Danielson Street
Poway, CA 92064

Dear Mr. Sorenson:

RE: FINAL MONITORING VISIT for Harbor Packaging, Inc. (Harbor) – ET06-0271

Date of the Visit:	04/04/08
Beginning/Ending Time:	9:30 a.m. – 11:00 a.m.
Date of Last Visit:	08/30/07
Visit Location:	Poway, California
Persons in attendance:	Terri Bostian, Human Resources Manager, Harbor; Vicky Rottschäfer, Human Resources Clerk; Donna Bartlett, President, Spectra Consulting LLC (Spectra); Brent Bartlett, VP, Spectra; and Carole Robinson, ETP Contract Analyst.
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	04/05/06 – 04/04/08	Agreement Amount:	\$180,544
Training Start Date:	04/24/06	No. to Retain:	124
Date Training must be Completed:	01/03/08	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	112

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on 04/18/06. Harbor did not make any Revision Requests during the term of this Agreement.

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

- **INTERVIEW WITH COMPANY REPRESENTATIVE**

As a result of ETP funded training, Ms. Bostian noted increased employee confidence in performing job functions and overall, company morale has improved. In addition, Harbor's manufacturing set-up times have been reduced significantly which has resulted in the company coming much closer to its production goals. Ms. Bostian stated that Harbor has also documented improved product quality with standards often being exceeded. She stated that a recent ISO Audit was conducted and findings were the best the company has ever experienced.

Ms. Bostian explained that ETP funded Class/lab sessions were instrumental for the company to reach its goals of streamlining processes and improving product quality even though some of the classes in Continuous Improvement, HazMat, Management, and Business Skills that were planned were not delivered. She stated that the company lost one of its internal trainers and another was re-assigned to meet other business needs resulting in fewer topics being delivered than originally planned during development of the Agreement. In addition, the company planned on conducting much of the training over normally slower production months this past winter. However, Harbor experienced an unusual spike in business over the winter months and was unable to conduct much training during this period.

Ms. Bostian reported that Harbor was closed down for a couple of days as a result of the 2007 firestorms. However, as soon as it re-opened, Harbor ran overtime and lost business was regained within a week or so with no long term effects on business from the closure. She stated that Harbor's Plant Manager has been a strong supporter of this project and the company is considering another agreement under ETP's Fast Track application process to complete the training not delivered for this Agreement. Ms. Bostian also stated that once the company retained Spectra for assistance with development and administration of the Agreement, the ETP application and administration processes went smoothly.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	130	Completed Training:	91
Trainees Enrolled:	143	Completed Retention:	91
Dropped Following Enrollment:	52	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	91		

- According to contractor records as of the date of this report, Harbor will retain 91 retrainees (73%) of the planned retentions. The aforementioned retrainees have completed a total of 8,482 hours of Class/lab training. Based on ETP records, Harbor will be eligible for a total reimbursement of approximately \$110,266 (61% of the ETP encumbered funds) if all other conditions of ETP eligibility are met. Current records show that Harbor has received \$83,986.65 in unearned Progress Payments.
- Ms. Bartlett stated that the company will be submitting a closeout invoice no later than 05/04/08. You are reminded that the Harbor must calculate and submit a certification statement to ETP Fiscal with closeout documents stating the company's turnover for the last 12 months of the term of the Agreement.

ATTENDANCE ROSTERS/INVOICES/ TRAINING TRACKING RECORDS:

Ms. Robinson reviewed class/lab attendance rosters for eight randomly selected trainees who are enrolled in Job 1. She compared the rosters to the Agreement's Curriculum and checked to ensure that each roster contained the necessary information required by ETP, under Title 22, California Code of Regulations, 4442. In addition, she compared the number of training hours in Harbor's tracking records for the eight retrainees selected with the number of training hours documented on the applicable Class/lab Rosters and Invoice number 6 for Progress Payment 1 (Enrollment) and Completion (Progress Payment 2).

Ms. Robinson found that the records reviewed for the eight selected retrainees contained the necessary information required by ETP and the Class topics matched those contained in the Agreement's Curriculum. The review of the above sample also verified that the hours reported on Harbor's tracking records matched those contained within the applicable Class/lab Rosters and Invoice number 6 for Progress Payment 1 (Enrollment) and Completion (Progress Payment 2).

All Invoices submitted to date, with the exception of the Invoice for Final Payment (Closeout) have been validated in this and previous Monitoring Reports.

SUBAGREEMENTS:

During a previous visit, Ms. Bostian provided an executed subagreement with Spectra Consulting for the provision of activities relating to administration of this Agreement. Ms. Robinson noted that this subagreement included the ETP required paragraphs as required in Exhibit D Page 1 of 1 in the Agreement and verified this information was entered into ETP's Online System. During this Final Monitoring Visit, you confirmed that all Class/lab training conducted during the term of this Agreement was delivered by Harbor employee.

AUDIT:

Harbor will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

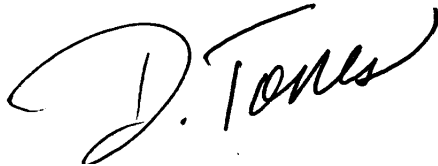
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at CRobinson@ETP.ca.gov or (619) 686-4971, within ten (10) working days from the receipt date of this letter.

Sincerely,



Diana Torres, Manager
San Diego Field Office



Carole Robinson, Contract Analyst
San Diego Field Office

cc: Spectra Consulting, LLC
Master File
SD Project File

Date report e-mailed to Contractor 05/02/08